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THE Agricultural Situation

JULY 1950

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Outlook Highlights

. . . JULY, 1950

Pig Crop Third Largest

Farmers raised 60,079,000 pigs this spring, 3 percent more than a year ago and except for 1942 and 1943, more than any other year on record, according to the June pig report of the Bureau of Agricultural Economics. The report was based on replies to questionnaires by 126,000 farmers and ranchers.

Five percent more sows farrowed this spring than last but the number of pigs saved per litter was 2 percent smaller and only slightly above the 10-year average. Crop reporters generally attributed the decline from last year in the number of pigs saved to cold or stormy spring weather.

The spring pig crop was larger than last year in all of the regions except the West and the North Atlantic. Sharpest increase was shown by the South Atlantic region with a gain of 6 percent.

The trend toward earlier farrowings continued this spring. The proportion of the 1950 crop farrowed in February and March was the largest on record.

More Fall Pigs Planned

If farmers' plans for the fall pig crop in June are borne out, the number of sows farrowing during the season will be the third largest on record. Reports to BAE about June 1 indicated that 6,017,000 sows will farrow this fall, 5 percent more than last year.

All of the increase indicated will come in the East and West North Central States. In all other States the number of sows intended for the fall farrow remains the same or is less than last year.

If these intentions are borne out and the number of pigs saved per litter equals the 10-year average, allowing for the upward trend, the fall pig crop will be about 39 million head. This also would be 5 percent larger than last year and the third largest on record.

Adding the prospective fall crop to the spring crop of 60,079,000 gives a total pig crop for 1950 of 99.1 million head. This would be 4 percent larger than last year and would be exceeded only by the pig crops of 1942 and 1943.

Old Records Fall

Past records set by several of the measures of economic activity are being broken.

Industrial production for June was expected to equal the previous postwar high. Motor-vehicle output in early June was by far at the highest rate on record. We are making about as much steel and have about as much new construction under way as our present resources will permit. The number of people at work in May and June set new records for each month. Consumer income has been rising and is well above a year earlier.

Generally brighter economic conditions have persuaded businessmen to spend more for plant and equipment than was expected earlier. The total for 1950, however, is likely to fall below the 18.1 billion dollars for 1949.

Prices Steady

Farmers' prices continued to be supported by the Nation's boom in economic activity.

The average of prices received by farmers from May to June remained unchanged and is 5 percent higher than at the beginning of 1950, and only slightly below a year earlier.

Compared with June 1949, truck crops are up 17 percent, the sharpest advance of the commodity groups. Feed grains have gained 13 percent, wool 14 percent, and oil bearing crops 9 percent. Smaller advances have been made by food grains, and meat animals.

Poultry and eggs are farthest below a year ago with a 26-percent drop. Vegetables other than truck crops are down 24 percent and fruit 12 percent. Minor declines have been registered by tobacco, cotton and dairy products.

(Continued on page 14)

The Changing Demand for Pork Products

MR. AND MRS. Consumer have shown an increasing tendency to "eat high on the hog" during the last two or three decades. The economic consequences to the farmer are not, to put it mildly, inconsiderable.

When buying pork products at the butcher shop, consumers more and more tend to favor the lean cuts such as hams, picnics, Boston butts and loins (pork chops) over lard, bacon, fat backs, plates and jowls. This decline in demand for fat cuts and lard in relation to the lean cuts has brought about marked changes in price relationships among pork products. In turn, this has caused hog prices in recent years to be lower than they otherwise would have been.

The type of hogs produced and hog marketing practices have not followed the changes in consumer preference. In recent years, though, the need to revise production and marketing practices has been widely recognized. This has stimulated efforts to breed a type of hog that will produce a higher proportion of the lean cuts. Also under way are studies of marketing designed to set up a grading system so that prices paid for hogs will reflect more correctly the value of the animals on the basis of their yield of the various cuts.

Causes Hog Price Drop

The extent to which hog prices have been lowered by declines in the values of lard and fat cuts in relation to values of lean cuts can be estimated roughly. Last year, for example, the average value of the lean cuts in 100 pounds of live hog was \$13.87; that of fat cuts \$4.57; and that of lard \$2.26. If prices of fat cuts and lard in 1949 had had the same relationship to the price of lean cuts as in 1905-19, the average value of the fat cuts would have been \$7.63 and that of lard \$6.35. In other words, the total value of the products in 100 pounds of live hog would have been \$7.30 higher.

If price relationships in 1949 had been like the average of 1935-39, the value of 100 pounds of live hog would have been \$3.61 higher than the actual value, and the 15½ billion pounds of hogs sold last year to commercial slaughterers would have brought farmers 559 million dollars more.

The weight of the bulk of the butcher hogs marketed ranges from 160 to 300 pounds, depending on the type of hog, the length of time fed and the production practices followed. Weights most preferred are usually from 180 to 240 pounds and average around 225. The yield of edible products from 100 pounds of live hog usually ranges from about 70 to 74 pounds, depending on the type of hog, its weight and degree of fatness and the amount of fill at the time of weighing. As a rule, carcass yield increases with weight and fatness, with yields of lard and fat cuts increasing relatively more than that of lean cuts.

Main Product Groups

The 3 major groups of products, lean cuts, fat cuts, and lard, account for around 65 to 67 pounds of all edible products from 100 pounds live weight. Minor items make up the other 5 to 6 pounds and are of relatively low value. Proportions of the 3 types of cuts vary with type of hog and degree of fatness. The yield of lard also is affected by the proportion of fat cuts used for lard.

For hogs weighing 200 to 240 pounds when sold, the yield of lean cuts per 100 pounds of live weight averages around 35 pounds and that of fat cuts about 17 pounds. Bacon bellies make up about three-fourths of the fat cut yield. Over a long period, the yearly yield of lard from all hogs slaughtered under Federal inspection ranged from about 11 to slightly more than 16 pounds. In more recent years the range has been from 12 to 14.

Price changes for the various kinds of cuts indicate the changes in demand. From 1920-29 to 1949, for example, the

annual average wholesale price of lean cuts at Chicago rose 115 percent with the average for fresh ham up 123 percent and that for loins up 103 percent. The average for the fat cuts advanced only 53 percent, with fresh bellies rising 67 percent. Lard prices not only lost ground compared with the other groups of pork products but the average price dropped 7 percent from 1920-29 to 1949. Demand for lard has weakened drastically since before the First World War because of increased competition from other fats and edible oils in both foreign and domestic markets.

Steady Decline

The decline in value of fat cuts and lard compared with lean cuts has been consistent. In 1905-19, the wholesale value of the lard in 100 pounds of live hog was about 46 percent of the value of the lean cuts. In 1920-29 it was 38 percent and in 1949 it was only 16 percent.

A similar though less drastic decline is shown by the fat cuts. In 1905-19 they averaged 55 percent of the value of the lean cuts; in 1920-29 the percentage was down to 46 and in 1949 it was only 33.

To show these changes another way: In 1905-19, the value of lean cuts in 100 pounds of live hog was 48 percent of the value of the total product compared with nearly 65 percent in 1949. Lard dropped from about 22 percent to only 10½, and fat cuts from 26½ percent to less than 21.

In general, meat products sell in the market at the highest prices obtainable by the sellers all along the line which at the same time make it possible to move the total supply. Therefore, it is assumed that prices at any particular time reflect the consumer demand for the available supply. It also is assumed that the total returns for all the products determine the prices packers pay for live hogs after allowance for costs of buying and processing hogs and marketing the products.

Changes in prices of lard and fat cuts in relation to those of lean cuts are due to several causes. Exports of hog products have dropped markedly

since the early twenties. Competition from greatly expanded world supplies of vegetable oils has increased. Other products preferred by consumers, such as fruits and vegetables, are more available year round. Requirements of consumers for foods of high fat content have been reduced because of increased use of labor saving devices and shorter work days and weeks. The sharp rise in consumer incomes in the last decade has made it possible for many more consumers to be more selective in the purchase of foods.

Changes in the breakfast diet probably account for much of the decline in demand for bacon since the early thirties. Many consumers have changed to a breakfast of coffee, rolls, fruit juice and dry cereal.

The problem facing hog producers is primarily that of a lowered demand for lard and the fat cuts of pork. There are no definite indications that demand for the lean cuts of pork has changed significantly in relation to demand for beef.

A New Grading System

Higher yields of lean cuts and lower yields of lard and fat cuts are possible by changing the type of hog produced. Considerable progress has been made by animal husbandry specialists and some producers through selective breeding. A higher proportion of lean cuts also can be obtained by marketing hogs at lighter weights.

Progress in improving the type of hogs raised will be more rapid if prices paid farmers reflect more accurately the value of the products in the animals. To facilitate sale of hogs on this basis, livestock grading specialists of the Department of Agriculture have developed grades for hog carcasses and live hogs which are based on the relationship of yield of lean cuts to fat cuts. These grades for live hogs are now being used by several packers. Results obtained so far indicate that they are an effective tool for recognizing merit and differences in the relative value of hogs offered for sale.

Chas. A. Burmeister
Production and Marketing Administration

✱ How Safe Are You? ✱

"**A**S SAFE as anyone," you say. But are you? What about those toys on the stairs? What about that pressure cooker with the little piece missing from the top? Been using it anyway, haven't you? What about that dry cleaning you've been doing in the basement?

You're careful? Of course. You don't leave your children shut up in the house alone, with matches in easy reach. You don't use kerosene to light the fire in the morning—anybody knows better than that. Your husband is careful too. He takes good care of his machines and he's good at handling the livestock. But didn't he drive the tractor on the highway the other night without lights? And what about that old well with those rotting boards for a cover?

Let us think about some things that happen to people who thought they were careful.

Ethel Andrews was lucky. She was laid up for only 2 weeks and on crutches for 6 more. It was 8 months before she could walk without pain. Ethel was coming down the stairs with her arms full of Christmas boxes that she planned to wrap on the dining room table. She didn't notice the toy automobile on the third step from the top, until she stepped on it, that is. With her arms full, she couldn't catch at the banister to save herself. She fell all the way down. Still, she was lucky. She might have been killed.

Even Better Luck

Mary Jones was even luckier. She had spent the day getting ready for company who were arriving the next day and by suppertime she was tired. She thought she'd just warm the meat and potatoes left from dinner and cook a few beets. In the pressure cooker, they'd take no time at all. She hesitated a little. She'd been meaning to get a new piece for the cooker. But it would be all right for this one time.

She had just stepped out of the kitchen when it blew up. The heavy

cover sailed across the room and broke the glass coffee maker standing on the shelf of the cabinet. Mary had been standing just there a moment before. If the cover had struck her . . .

There was no luck for Jim and Helen Moore. They were just getting their place the way they wanted it. The farm was all paid for and they had a nice home. Helen was proud of that home. She was especially proud of the nice, airy basement where she could do her washing and ironing—and her cleaning.

That morning was bright and the sun was warm for November. It would be a good day for drying and Jim's good suit needed cleaning. While she was about it she might as well dip a dress or two of her own and the boys' play coats as well.

Two Boys and a Match

The boys—they were four and five and as bright as new dollars—were playing on the basement steps. She didn't know they had the matches. The basement must have been filled with fumes from the cleaner she was using. When one of them lit a match, the place exploded. She screamed and ran but before she could get to them the flames were all about them. She tried to beat them out with her hands. By the time help came the little boys were dead and she was badly burned.

If Helen had taken her cleaning outside, if she had used one of the new safe cleaners, if the matches had been put where prying fingers couldn't find them. She knows that now—too late.

These are just a few of the accidents that happen to farm people, with resulting loss of time and heavy expense. During the first 4 months of 1948, according to a survey made by the Bureau of Agricultural Economics, farm people and farm workers had 275,000 lost-time accidents. And during the years 1940-1948, there were 17,906 fatal accidents to farm people in the United States.

What are the most common accidents? From January to April 1948,

twice as many people were injured in falls as in any other type of accident—falls on ice, on stairs, from machines, from horses and mules, from buildings, from home furniture, into wells or pits, into rivers and creeks. Your bathtub is a potential hazard. So is the chair you sometimes stand on to straighten the curtains, even though you always use a sturdy one.

Many accidents are caused by horses and mules and cattle. Some of these are caused by riding horses with the harness still on. If you're thrown you may get tangled in the harness and be dragged.

Motor vehicles, of course, cause a great many accidents. During the first 4 months of 1948, they accounted for one accident in nine and of these, trucks caused one-fourth.

Tractors, cornpickers, and other machines take their toll. They cause the greatest number of fatal accidents.

The Federal Security Agency has collected some figures as to the fatal farm work accidents for the years 1940 to 1948. Here are the figures for the regions of the country.

New England.....	621
Middle Atlantic.....	1,933
East North Central.....	3,730
West North Central.....	4,216
South Atlantic.....	1,886
East South Central.....	1,496
West South Central.....	1,354
Mountain.....	1,386
Pacific.....	1,284
United States.....	17,906

Very few of these accidents had to happen. Practically all of them could have been prevented.

The week from July 23-29 will be National Farm Safety Week. The National Safety Council believes that if people know about the things or conditions that may cause accidents, they can prevent most of them.

In the next column are 15 rules the Council has listed. Look them over; study them; then look around your home and your farm to see how many hazards you can find. If you follow these rules, one of them may save your life some day.

Esther Colvin

Bureau of Agricultural Economics

15 Ways To Stay Out of the Hospital

- Keep walkways and steps in good repair, unobstructed and well lighted.

- Keep ladders in good repair and easily accessible in case of emergency.

- Always stop a machine before unclogging, oiling, or adjusting it. Keep all machine guards and safety devices in place.

- Don't wear loose and floppy clothes around machinery.

- Start tractors smoothly and turn corners slowly—avoid ditch banks and soft ground—always hitch to the draw-bar.

- Speak to animals when approaching them. Keep *them* calm by acting with calm self assurance *yourself*.

- Always keep bulls in safe bull pens. Never handle bulls unless they are properly restrained.

- Know and obey all traffic laws. Stop driving if you get sleepy. Never ride with a driver who has had a "drink."

- Keep your back straight and lift heavy loads with your leg muscles. Don't try to lift anything that is too heavy for you.

- Use the right tools for the job. Make sure they are in good condition. Keep them in a safe place.

- Give prompt attention to even minor injuries.

- Keep guns unloaded except when actually using them. Treat every gun as though it *were* loaded. And **NEVER** aim at anything you don't want to shoot.

- Don't use kerosene to start fires. Pour kerosene or gasoline outdoors to prevent the accumulation of treacherous vapors. Dry clean outdoors.

- Don't smoke around the barn.

- Never swim alone. Never dive into water without first determining the depth. And be careful around boats of any kind—never stand up in small boats.

X New Compounds Promise

Lower Poultry Production CostsX

SUBSTANTIAL savings in the cost of producing broilers and young chickens is promised by three new compounds which, when used in the poultry ration, promote the hatchability of eggs and the rate of growth of chicks.

First of these compounds to be discovered is vitamin B₁₂, the most important ingredient of the new APF—animal protein factor—supplements. The second is aureomycin, one of the antibiotics which already has proved valuable in medicine, and the third is a derivative of arsonic acid. Use of the latter two in feeds is still in the experimental stage.

Experiments indicate that vegetable proteins fortified with these new compounds can be used in the poultry ration to replace the more costly animal proteins—meat scraps, fish meal, fish solubles, liver meal, tankage and dried milk products. Animal proteins are among the more expensive ingredients of the poultry ration and many poultrymen have tended to economize on them. This usually has proved false economy because of harmful effects on the hatchability of eggs and the rate of growth of young chicks.

First clear evidence of the existence of another unknown vitamin required by poultry was received a few years ago when it was found that something in cow manure affected hatchability and growth. In 1948, vitamin B₁₂ was discovered and isolated and quickly won fame as a cure for pernicious anemia in humans. Later it was found to be identical with the growth factor in cow manure and apparently is largely, if not entirely, the growth factor in animal protein feeds.

Vitamin B₁₂ is needed in the ration of young chickens to promote growth and in the ration of layers whose eggs are to be used for hatching. It also promotes the growth of young pigs. It is not needed for mature chickens other than the layers of hatching eggs, for mature pigs other than breeding

sows, or for other kinds of livestock. These animals seem to be able to manufacture B₁₂ in their digestive tracts.

B₁₂ apparently provides all of the factors needed for high hatchability of eggs. However, experiments indicate that B₁₂ alone is not sufficient to assure highest rates of growth. In all of these feeding experiments, of course, the ration contained the necessary amino acids and minerals.

The shortcomings of B₁₂ in promoting growth may be offset in the future by aureomycin and the arsonic acid derivative, according to preliminary results of experiments in various laboratories, including those at the U. S. Department of Agriculture's research center at Beltsville, Md. These experiments indicate that aureomycin and the arsonic acid derivative used in the poultry ration with B₁₂ may increase the rate of growth from 10 to 15 percent compared with B₁₂ alone.

These developments are of great importance to the entire industry, particularly commercial broiler producers. One source says, for example, that through the use of APF supplements in place of animal proteins sufficient B₁₂ can be supplied at savings of 2 to 6 percent in cost of the total ration.

Cost of producing B₁₂ has dropped more than one-half since the fall of 1949 when it first became available in quantity and further reductions are likely. Cost of the vitamin needed in 100 pounds of an all-vegetable ration now is about 10 cents.

Aureomycin and the arsonic acid derivative are not yet being used in commercial feeds except that the former naturally occurs in some APF supplements. But if the final results of experiments verify preliminary findings, additional savings will be possible. All in all, a reduction of 5 to 10 percent in the unit cost of producing young chickens and broilers seems a reasonable probability.

Peter L. Hansen
Bureau of Agricultural Economics

What Northeast Farm Families Want in a New House

MORE THAN three-fourths of the farmhouses in the Northeast States are at least 50 years old and 44 percent were built more than a century ago. It is not surprising that most of the families living in these homes would make some changes if they could alter their present houses or build new ones.

Some of the changes these families would like to make are brought out in a survey made by the Bureau of Human Nutrition and Home Economics and eight of the agricultural experiment stations in the northeastern region. The survey, which was done under the Research and Marketing Act, was made to obtain basic facts about farm family housing needs and preferences. This information can be used to develop standards for the improvement of present farmhouses and the planning of new ones. Similar surveys in other regions of the United States are being made.

Popularity of the 1-story house has increased greatly, the survey showed. About 75 out of every 100 farmhouses in the northeast now have 2 to 3 stories while only 3 out of every 100 have 1 story. But if the owners were to build new houses, there would be a decided change. More than a third would have 1-story houses and almost a fourth 1½ stories. The other 42 percent, however, would build houses with 2 or more stories.

Want First Floor Bath

Families who prefer 1½- or 2-story homes want a bedroom on the first floor. If these same families can have but 1 bathroom, 6 out of 10 want it to be on the first floor.

Basements or cellars are considered a necessity in the Northeast. About 94 percent of the houses have them now and practically every farm family would want a basement if they were building a new house. Central heating also is

almost universally desired, though less than half the houses now have it. About 50 percent of the present farmhouses have a pantry and the number wanted in new houses is about the same. Half the pantries would be used for storage, a quarter for work, and the rest for both storage and work.

A house without a porch is not popular in the Northeast. Ninety-three percent of the families want at least one and more than half want two. The "front" porch—whether actually on the front or on the side of the house—is wanted primarily for leisure and recreation. An open porch would suit a third of those who want front porches. Seventeen percent would want it screened and 28 percent would prefer a combination of screening and glazing.

Back Porch for Leisure

An even larger percentage of the families want the back porch enclosed. Thirty-six percent preferred a screened porch and 25 percent the combination screened and glazed type. Only about a fifth would want an open back porch.

The back porch also would be used for leisure time activities in the summer with about 40 percent of the families expecting to use it this way. More than a fifth would want to eat on the back porch in the summer, about a fourth would use it for food preparation and about one-seventh for drying clothes. Except for drying clothes, the back porch would be used much more extensively for these purposes if it were enclosed. Very few farm families, for instance, would want to eat on an open back porch.

Most farmhouses in the Northeast are large enough but the space needs to be planned differently to accommodate the needs of the families now living in them. One of the greatest needs, the survey revealed, is for work space that will relieve the kitchen of

some of the activities it now accommodates.

The kitchen is now being widely used for washing clothes. The survey showed that a third of the families do their washing in the kitchen in the summer and 58 percent in the winter. The basement is used by 14 percent in both summer and winter while a porch or wash house is used by 30 percent in the summer and only 11 percent in the winter.

Oppose Kitchen for Laundry

Most women do not wash clothes in the kitchen from choice, for only 8 percent say they prefer to use this room in the summer and 13 percent in the winter. About a third would rather wash in a laundry room, another third in the basement the year round. About 12 percent prefer a work, utility or back room. For drying clothes in stormy weather, a third prefer to use the basement, a few less a porch.

Ironing is done in the kitchen by 60 percent in the summer and 75 percent in the winter. The dining room holds second place. However, only 37 percent would prefer to iron in the kitchen in the summer, 49 percent in the winter. About a quarter would like to iron in a laundry room both seasons.

Preparation of fruits, vegetables and other foods for canning and freezing is another of the activities now being carried on by most homemakers in the kitchen. However, almost half of them would prefer to do this in a workroom, utility room, basement or porch.

Replies from farm families questioned in the survey indicate that a dining room is desired by most but they also want a space for eating in the kitchen. Not only must the regular family meals be considered but having guests at meals is important too. More than 9 out of every 10 of the families frequently have extra people at family meals. Ninety-four percent have company meals with about 65 percent having guests at least once a month.

Four-fifths of all the homemakers

prefer to serve some meals in the kitchen and about the same number want to serve some in the dining room. A few would want to serve all meals in a dining room but a high percentage would use it only for company meals.

Although a dining room used only for company meals would seem to be a luxury, the frequency of entertaining at meals points up the necessity for providing more eating space than is required for the family and more than is usually found in kitchens.

Some other activities, such as cutting meat or packing eggs are not extensive enough in scope or frequency to justify allowing space for them in most houses. Though women express a desire for a separate sewing room, few consider it important enough to be provided if only one or two rooms could be added to their present homes.

Storage space is deficient in many of the houses now being lived in by farm families in the Northeast. Almost half express a need for more such space. Although most houses are large, they lack sufficient closets for clothes and linens and storage space for dishes. The storage space available is often inadequate or poorly arranged. Well-planned storage facilities throughout the house are generally needed.

Space Poorly Used

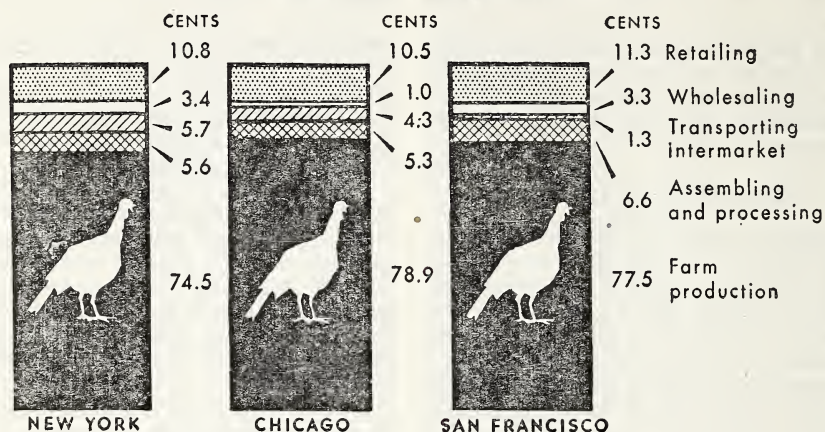
Summing up some of the results of the study:

Most farmhouses in the Northeast are large enough but the space is not used to the best advantage. A majority of the families want 1- or 1½-story houses with at least one bedroom and a bath on the ground floor. They would like to have a basement, at least one porch, a dining room and well-planned storage facilities throughout the house. There is a definite need for work space that will relieve the kitchen of some of the activities now being carried on there. In short, the house of the future should be planned to accommodate conveniently the living needs of the modern farm family.

Elizabeth Beveridge
Bureau of Human Nutrition and Home Economics

THE CONSUMER'S TURKEY DOLLAR

Where It Goes*



* FOR GRADE A, DRESSED YOUNG HENS FROM THE WEST
BETWEEN SEPTEMBER 1, 1948 AND JANUARY 31, 1949

U. S. DEPARTMENT OF AGRICULTURE

NEG 47319-X BUREAU OF AGRICULTURAL ECONOMICS

OF EACH DOLLAR spent by consumers in New York and Chicago for western turkeys (dressed basis) during the marketing season September 1948 through January 1949 roughly 75 cents went to the farmers who produced the turkeys, according to a study made by BAE with assistance from the Agricultural Experiment Stations of Utah, Oregon, and Washington. Funds for the research were authorized by the Research and Marketing Act of 1946.

The farmer's share of the consumer's dollar ranged from an average of 71 cents from toms sold in New York to an average of 79 cents from hens sold in Chicago. The remainder went to the marketing agencies for processing, transporting, wholesaling, and retailing.

Wide use of machinery and conveyor-line methods in processing the birds is indicated in the study. By 1947, fully 95 percent of the turkeys produced in Oregon and Utah were being dressed for market in commercial processing plants. The share for processors was approximately 6 cents of the consumer's dollar. The retailer's share amounted

to about 11 cents for hens and 15 cents for toms. The greatest variation was found in the share taken by wholesalers. For instance, wholesalers in Chicago got only 1 cent of the consumer's dollar spent for hens, while those in New York got nearly 3½ cents.

Retail prices per pound (New York dressed) averaged 78.5 cents for hens and 70 cents for toms in New York. In Chicago, the average was 75.2 cents for hens and 65.6 cents for toms. And in San Francisco, the average price was 76.9 cents for hens and 67.2 cents for toms.

The manner in which live birds were converted into New York-dressed carcasses was about the same in all dressing plants. Division of processing into specialized operations that can be performed largely by machines connected by a continuous conveyor line has increased the speed of this work. Improvements in the efficiency of the processing facilities and the large increases in turkey production in the West have encouraged expansion of commercial processing facilities.

✕ Stores Pay Lowest Egg Prices

but are a major outlet ✕

MORE EGG producers in the North Central States sold their product to retail stores than to any other outlet, according to a survey of egg marketing practices. But prices paid by retailers averaged lower than those paid by any other type of buyer.

The survey was made by BAE in cooperation with the agricultural experiment stations of the 12 North Central States, and Kentucky and Oklahoma, PMA and FCA. It was financed under the Research and Marketing Act and covered the midweeks of April and August 1948.

More than a third of the producers marketed their eggs through retail stores. About 30 percent sold to locally owned plants or produce dealers, and about one-fourth to truckers or the local plants of outside buyers. About 10 percent sold to hatcheries in the spring but by late summer the percentage was down to 2. Other outlets included direct sales to consumers, cooperatives, hotels, restaurants and bakeries.

Ranking buyers according to the proportion of the total quantity of eggs handled, changes the order slightly. Locally owned plants or produce dealers were first with about 30 percent of all eggs sold. Retail stores were second with about 25 percent, truckers or outside buyers were third, hatcheries fourth, and cooperatives fifth. Sales direct to consumers accounted for 6 to 10 percent of all eggs sold, while hotels, restaurants and bakeries took about 1 percent.

Egg prices received by producers from all buyers averaged 42 cents a dozen in the spring of 1948 and 45½ cents in late summer. The greatest difference in average prices paid by the various buyers was 15 cents.

Buyers who purchased eggs for resale in the shell paid lowest prices. They included retail stores, local plants or produce dealers, truckers or outside buyers and cooperatives. Hatcheries, hotels, restaurants, bakeries and consumers paid highest prices.

Producers with certain size flocks tended to use certain outlets. Those with larger flocks usually sold to higher-paying outlets such as truckers or local plants of outside buyers and cooperatives. More of the producers with 100 hens or less sold their eggs to retail stores than to any other outlet. Sales direct to consumers were most important to producers with flocks of less than 50 hens and those with more than 400.

In April 1948 about half of the producers in the North Central area had flocks of less than 100 hens which accounted for about one-fifth of all eggs sold. About one-third reported flocks of 100 to 199 hens which supplied two-fifths of the eggs. Flocks of more than 200 hens were kept by about 16 percent of the producers and laid about 36 percent of all eggs sold.

Almost three-fifths of all eggs marketed by producers were ungraded. About one-fifth were sorted for size only and the rest were graded for both size and internal quality.

Prices for eggs sorted for size only averaged about 3 cents above eggs graded for size and internal quality and about 7 cents above ungraded eggs. A large proportion of eggs sold on the basis of size went to hatcheries and direct to consumers.

At least 40 percent of the producers in all of the North Central States delivered the eggs they sold. More than 85 percent of the eggs sold to retail stores were delivered by producers as was a large proportion of those sold to hatcheries, hotels, restaurants and bakeries. On the other hand, more than 80 percent of the eggs sold to truckers or local plants of outside buyers were picked up at the farm.

Prices of eggs picked up at the farm averaged about 1 to 3½ cents higher than those delivered to buyers. This was partly due to the fact that a larger share of those picked up at the farm were graded.

O. C. Hester
Bureau of Agricultural Economics

TV Brings Farm Into Your Home

YOU'LL RECEIVE it tonight—the pig, that is. We'll have it in your living room at 8:15 sharp. Maybe you'll want to ask some of your neighbors over to look at it, too. We'll have one of our men there to point out some of the things you may want to develop in your hogs. It won't be necessary to make any special preparation there at the house. Just tune your television set to channel 4 at 8:15 and we'll be there—hog and all.

Sound overdrawn to you? Well, it's not too far out of line when you think in terms of what television is doing and will do for agriculture.

Actually, TV is bringing the pig (electronically) into many homes to demonstrate some technical point of animal husbandry. Any one of hundreds of other farm and home "how-to-do-it's" can be presented in thousands of homes simultaneously by this new medium. At the same time, TV is bringing visualized agricultural outlook information, market reports, and general farm news by film, or live interviews to rural and urban viewers.

TV for Farmers

If any one fact is apparent in television today, it is that agriculture, both from the standpoint of science and economics and rural living, is making a strong effort to apply television to its particular requirements. This was not true at the outset in radio and for that reason radio service until recent years lagged behind rural needs.

The main efforts in farm television in 1950 lie in three main divisions: telecasts presented by radio farm directors on private stations, experimental telecasts and research work as conducted by the Research and Marketing television project in the Radio and Television Service of the Department of Agriculture, and the television activi-

ties of the Extension Service in 20 States. Of the 20 State Extension offices that have "got their feet wet" in TV, 10 are presenting programs on a regular weekly or biweekly basis. The Bureau of Agricultural Economics, Bureau of Human Nutrition and Home Economics, Forest Service, and the Production and Marketing Administration have done a number of television programs.

Dramatizing Figures

TV is an excellent media for dramatizing statistical information. One of the good examples of such presentation was recently aired over a station in California. The Extension economist's objective was to explain to his television audience, rural and urban alike, the relative costs of producing and marketing oranges. He did it by simply carrying a standard box of oranges on to the set, placing it on a table and then lifting, one by one, the oranges out of the box and piling them in separate piles. "It takes this many oranges out of a box like this to pay for picking the fruit. It takes this many to pay for the freight to New York." And so the little program went on. They still remember that show on the west coast.

"But," you may ask, "do farmers have television sets and if they do, can they receive these programs—or programs of any kind?"

For a large part of the country, the answer is yes. Farm television is a practical reality now in such States as New Jersey, most of New York, Connecticut, Maryland, eastern Pennsylvania, Ohio, parts of Indiana and Illinois, Iowa, sections of Wisconsin, Minnesota, and Louisiana, Texas, Georgia, southern California, eastern Nebraska, western Tennessee, Missouri, and Arizona.

Iowa State College this year began operation of the first educational television station in the country and is now covering most of the State with farm and home telecasts as well as entertainment shows. Several other land-grant colleges are expected to follow suit and build TV stations of their own as soon as it is possible to do so.

The networks have not been neglectful of farm interest in television programming. Although farm people want and enjoy most of the TV entertainment programs that city people like to watch, they also want programs devoted especially to agriculture. Within the past year, these networks carried a solid hour and a half of the International Livestock Exposition and 4-H Congress in Chicago, the 4-H Camp story from Washington, the Massachusetts Farm Women's Chorus in connection with National Home Demonstration Week, and until recently a regular weekly program called RFD America—a program devoted to "how the farmer does his job."

To help further with grass roots television programing, stations and networks have adopted a simple type of sound movie camera which will make sound motion pictures, at low cost, right in the barn, in the field where power is available, or in the farm home. Already, it has been referred to as the tape recorder of television. With it television stations can visualize the farm interview, or demonstration for thousands of people. In like manner, stations are making use of this same film equipment for TV newscasts and coverage of special events.

All this adds up to an obvious conclusion that "television is here to stay." No better example of the scope of this new medium can be recalled than a program filmed not long ago at WOITV, Iowa State. It was the story of weighing radioactive phosphorus in fertilizer experiments. Think twice on that—a telecast about atomic energy. Tell that to your grandfather.

Joe Tonkin
Extension Service

New Fertilizer Cuts Costs in Delta

MANY COTTON farmers in the Mississippi Delta are able to reduce their production costs and place themselves in a more favorable competitive position by using anhydrous ammonia (compressed synthetic ammonia gas) as a nitrogen fertilizer in the production of cotton and corn, according to a study made by the Mississippi Agricultural Experiment Station and BAE under the Research and Marketing Act.

The saving is more pronounced on the larger farms because larger farms can make more efficient use of tanks and heavy equipment used in applying this new type of nitrogenous fertilizer.

The study shows that in the area last year, a 400-acre farm saved about \$400 or more by using anhydrous ammonia instead of the nitrogens generally used. The saving amounted to 2 to 3 cents per pound of nitrogen used on cotton. The \$400 saving was calculated on the basis of 50 pounds of nitrogen per acre. An-

hydrous ammonia contains 82 percent nitrogen.

Results on various sized farms using different sizes of equipment were obtained in the study. It was found that in 1949 a farmer had to fertilize 50 acres or more to apply anhydrous ammonia economically with his own equipment but that farmers with smaller acreages may find it advantageous to hire this new type fertilizer applied by neighbors or other persons equipped to do custom work. Successful use of anhydrous ammonia has not yet been proved on all soils. This is particularly true on extremely heavy soils. Research to alleviate this situation is now underway.

The use of anhydrous ammonia as a nitrogen fertilizer is the result of several years of research. In 1947, it was used on about 200 thousand acres in the Delta area of Mississippi. By 1949, an estimated 1 million acres in Mississippi were receiving applications of this new material and its use is spreading to other States.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		June 15, 1949	May 15, 1950	June 15, 1950	Effective parity price June 15, 1950 ²
	Base period price 1910-14 ¹	January 1935-December 1939				
Basic commodities:						
Cotton (pound).....cents..	³ 12.4	10.34	30.13	29.24	29.91	31.00
Wheat (bushel).....dollars..	³ .884	.837	1.86	2.04	1.93	2.21
Rice (bushel).....do.....	.891	.742	⁴ 2.13	1.91	1.88	2.27
Corn (bushel).....do.....	³ .642	.691	1.21	1.34	1.36	1.60
Peanuts (pound).....cents..	³ 4.8	3.55	10.4	10.7	10.8	12.0
Designated nonbasic commodities:						
Potatoes (bushel).....dollars..	⁵ 1.12	.717	⁴ 1.72	1.28	1.27	⁶ 1.75
Butterfat (pound).....cents..	27.7	29.1	59.3	60.6	59.7	70.6
Milk, wholesale (100 lb.).....dollars..	1.73	1.81	3.59	3.48	⁷ 3.43	4.41
Wool (pound).....cents..	20.1	23.8	49.6	53.8	56.2	51.3
Other nonbasic commodities:						
Barley (bushel).....dollars..	³ .619	.533	.928	1.12	1.12	⁶ 1.47
Cottonseed (ton).....do.....	26.30	27.52	⁸ 46.70	⁸ 45.23	⁸ 46.20	67.10
Flaxseed (bushel).....do.....	1.71	1.69	⁴ 3.43	3.60	3.68	4.30
Oats (bushel).....do.....	³ .399	.340	.601	.788	.804	⁶ .948
Rye (bushel).....do.....	³ .720	.554	1.13	1.24	1.21	⁶ 1.71
Sorghum, grain (100 lb.).....do.....	³ 1.21	1.17	2.04	1.97	1.93	⁶ 2.87
Soybeans (bushel).....do.....	1.00	.954	2.10	2.71	2.80	2.55
Sweetpotatoes (bushel).....do.....	.921	.897	2.64	2.28	2.11	2.35
Beef cattle (100 lb.).....do.....	6.78	6.56	20.90	23.20	23.70	17.30
Chickens (pound).....cents..	11.4	14.9	26.1	22.5	22.1	29.1
Eggs (dozen).....do.....	³ 21.5	21.7	44.1	29.6	30.1	⁶ 51.1
Hogs (100 lb.).....dollars..	7.52	8.38	18.80	18.50	17.80	19.20
Lambs (100 lb.).....do.....	7.48	7.79	24.30	24.60	24.80	19.10
Veal calves (100 lb.).....do.....	7.62	7.80	23.30	25.70	25.90	19.40
Oranges, on tree (box).....do.....	⁵ 2.29	1.11	2.09	1.96	1.85	⁶ 3.57
Apples (bushel).....do.....	1.04	.90	⁴ 3.01	2.40	2.62	2.65
Hay, baled (ton).....do.....	8.71	11.20	20.90	22.00	20.80	22.20

¹ Adjusted base period prices 1910-14, based on 120-month average January 1940-December 1949 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914. ⁴ Revised. ⁵ 10-season average 1919-28.

⁶ Transitional parity, 95 percent of parity price computed under formula in use prior to Jan. 1, 1950.

⁷ Preliminary.

⁸ Relatively insignificant quantities sold for crushing this month.

Outlook Highlights

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Prices Paid Up Slightly

Prices paid by farmers including interest, taxes and wage rates continue to edge upward and in mid-June averaged slightly higher than a year earlier. The gain in recent weeks was due to the rise in the cost of living. Average prices of production goods have held steady.

Margarine Tax Ends

Federal taxes on the production and sale of margarine ended July 1. Many more stores will offer the product, particularly colored margarine. Only about 1 store in every 10 licensed to sell margarine has had the more costly

license for the sale of the colored product.

In the 32 States which do not prohibit the sale of colored margarine, the colored product largely will replace the white after July 1. Removal of the Federal tax also will reduce retail prices of colored margarine and tend to bring about additional consumption. The 32 States which permit the sale of colored margarine have about 60 percent of the country's population.

Small Seasonal for Eggs

The seasonal rise in prices of eggs is likely to be smaller and later this year than last. Large farm egg production and cold-storage stocks will keep supplies at high levels.

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100) ⁴			Index numbers of prices received by farmers (1910-14=100) ⁴			
					Commodities	Wage rates for hired farm labor ⁵	Commodities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	100	100	100	100	100
1915-19 average.....	72	90	152	158	149	147	148	147	153	162	157
1920-24 average.....	75	122	221	160	159	181	168	159	163	121	140
1925-29 average.....	98	129	232	143	151	184	161	161	155	145	152
1930-34 average.....	74	78	179	107	117	121	124	105	94	83	91
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1940-44 average.....	192	236	315	139	148	211	152	169	145	166	162
1945 average.....	203	291	359	154	180	359	189	230	194	207	210
1946 average.....	170	276	382	177	197	387	207	267	197	248	241
1947 average.....	187	328	436	222	231	419	240	272	219	329	287
1948 average.....	192	354	472	241	250	442	259	300	235	361	314
1949 average.....	176	325	478	226	241	429	250	251	219	311	272
1949											
June.....	169	320	475	226	242		252	233	212	323	271
July.....	161	315	476	224	240	429	250	237	213	316	269
August.....	170	323	477	223	238		249	244	225	310	271
September.....	174	331	486	224	238		248	251	236	319	279
October.....	166	307	481	222	237	414	246	258	230	301	271
November.....	173	313	474	221	236		245	261	216	286	262
December.....	179	325	489	221	237		246	261	194	280	255
1950											
January.....	183	323	490	221	238	429	249	254	158	286	249
February.....	180	316	491	223	237		245	250	155	306	257
March.....	187	334	492	223	239		250	243	165	308	258
April.....	189	338	496	223	240	427	251	235	161	312	256
May.....	193			228	244		254	230	154	342	269
June.....				228	246		255	227	156	342	268

Year and month	Index numbers of prices received by farmers (1910-14=100) ⁴								All crops and live-stock	Parity ratio ^{4,5}
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1915-19 average.....	193	161	183	175	201	126		171	164	111
1920-24 average.....	147	125	189	197	155	157	152	162	150	89
1925-29 average.....	141	118	169	150	135	146	145	143	148	92
1930-34 average.....	70	76	117	77	78	98	104	84	88	71
1935-39 average.....	94	95	172	87	113	95	95	99	107	86
1940-44 average.....	123	119	241	138	170	150	164	145	154	101
1945 average.....	172	161	360	178	228	244	207	203	206	109
1946 average.....	201	196	376	237	260	250	182	227	234	113
1947 average.....	270	249	374	272	363	212	226	263	275	115
1948 average.....	250	250	380	270	351	174	214	252	285	110
1949 average.....	219	170	398	245	242	199	201	223	249	100
1949										
June.....	213	168	404	253	232	235	155	225	249	99
July.....	209	171	404	253	219	217	168	221	246	98
August.....	205	165	400	246	241	181	170	214	244	98
September.....	211	166	393	250	227	160	188	212	247	100
October.....	213	161	396	241	221	180	174	210	242	98
November.....	215	157	369	233	220	172	213	210	237	97
December.....	219	168	394	223	225	174	196	210	233	95
1950										
January.....	218	170	382	222	228	185	261	219	235	94
February.....	219	171	389	231	228	186	203	215	237	96
March.....	224	174	389	236	230	193	168	215	237	95
April.....	227	181	389	242	239	206	205	225	241	96
May.....	230	190	387	246	248	195	178	223	247	97
June.....	218	190	388	251	254	207	182	225	247	97

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950. ³ Bureau of Labor Statistics.

⁴ Revised January 1950. ⁵ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁶ Revised. ⁷ Preliminary.

⁸ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis. ⁹ 1924 only.

Outlook Highlights

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Wheat to Average Near Loan

With the wheat crop expected to be only about equal to domestic use and exports, wheat prices are not expected to fall as far below the loan this summer as in some recent years. After the post-harvest decline prices are expected to advance and to average at about the loan level for the 1950-51 marketing year.

Cotton Markets Strong

Spot cotton prices hit their highest level in nearly 2 years in mid-June with domestic use and exports contributing to the strength in the markets. In the two preceding months, the daily rate of domestic mill consumption increased in contrast to the decline usually expected at that time of year. Through April exports were 20 percent above the same period last season and the highest since prewar.

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

